

REFERENCE TITLE: higher education; budget reconciliation

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
First Regular Session  
2007

# HB 2791

Introduced by  
Representative Boone (with permission of committee on Rules)

AN ACT

AMENDING SECTIONS 15-1626, 15-1681, 15-1682, 15-1682.02, 15-1725, 15-1808, 15-1821.01 AND 15-1854, ARIZONA REVISED STATUTES; RELATING TO HIGHER EDUCATION BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-1626, Arizona Revised Statutes, is amended to  
3 read:

4 15-1626. General administrative powers and duties of board

5 A. The board shall:

6 1. Have and exercise the powers necessary for the effective governance  
7 and administration of the institutions under its control. To that end, the  
8 board may adopt, and authorize each university to adopt, such regulations,  
9 policies, rules or measures as are deemed necessary and may delegate in  
10 writing to its committees, to its university presidents, or their designees,  
11 or to other entities under its control, any part of its authority for the  
12 administration and governance of such institutions, including those powers  
13 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs  
14 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this  
15 section. Any delegation of authority may be rescinded by the board at any  
16 time in whole or in part.

17 2. Appoint and employ and determine the compensation of presidents  
18 with such power and authority and for such purposes in connection with the  
19 operation of the institutions as the board deems necessary.

20 3. Appoint and employ and determine the compensation of  
21 vice-presidents, deans, professors, instructors, lecturers, fellows and such  
22 other officers and employees with such power and authority and for such  
23 purposes in connection with the operation of the institutions as the board  
24 deems necessary, or delegate its authority pursuant to paragraph 1 of this  
25 subsection.

26 4. Remove any officer or employee when the interests of education in  
27 this state so require in accordance with its personnel rules and policies.

28 5. Fix tuitions and fees to be charged and differentiate the tuitions  
29 and fees between institutions and between residents, nonresidents,  
30 undergraduate students, graduate students, students from foreign countries  
31 and students who have earned credit hours in excess of the credit hour  
32 threshold. For the purposes of this paragraph, the undergraduate credit hour  
33 threshold is one hundred fifty-five hours for students who attend a  
34 university under the jurisdiction of the board in fiscal year 2006-2007, one  
35 hundred fifty hours for students who attend a university under the  
36 jurisdiction of the board in fiscal year 2007-2008 and one hundred forty-five  
37 hours for students who attend a university under the jurisdiction of the  
38 board after fiscal year 2007-2008. The undergraduate credit hour threshold  
39 shall be based on the actual full-time equivalent student enrollment counted  
40 on the twenty-first day after classes begin for the fall semester of 2005 and  
41 every fall semester thereafter and any budget adjustment based on student  
42 enrollment shall occur in the fiscal year following the actual full-time  
43 equivalent student enrollment count. The undergraduate credit hour threshold  
44 shall not apply to degree programs that require credit hours above the credit  
45 hour threshold, credits earned in the pursuit of up to two baccalaureate

1 degrees, credits earned in the pursuit of up to two state regulated  
2 licensures or certificates, credits earned in the pursuit of teaching  
3 certification, credits transferred from a private institution of higher  
4 education, credits transferred from an institution of higher education in  
5 another state, credits earned at another institution of higher education but  
6 that are not accepted as transfer credits at the university where the student  
7 is currently enrolled and credits earned by students who enroll at a  
8 university under the jurisdiction of the board more than twenty-four months  
9 after the end of that student's previous enrollment at a public institution  
10 of higher education in this state. On or before October 15 of each year, the  
11 board shall report to the joint legislative budget committee the number of  
12 students who were enrolled at universities under the jurisdiction of the  
13 board during the previous fiscal year who met or exceeded the undergraduate  
14 credit hour threshold prescribed in this paragraph. The amount of tuition,  
15 registration fees and other revenues included in the operating budget for the  
16 university adopted by the board as prescribed in paragraph 13 of this  
17 subsection shall be deposited, pursuant to sections 35-146 and 35-147. All  
18 other tuition and fee revenue shall be retained by each university for  
19 expenditure as approved by the board, except that the universities shall not  
20 use any tuition or fee revenue to fund or support an alumni association.

21 6. Except as provided in subsection H of this section, adopt rules to  
22 govern its tuition and fee setting process that provide for the following:

23 (a) At least one public hearing at each university as an opportunity  
24 for students and members of the public to comment upon any proposed increase  
25 in tuition or fees.

26 (b) Publication of the notice of public hearing at least ten days  
27 prior to the hearing in a newspaper of general circulation in Maricopa  
28 county, Coconino county and Pima county. The notice shall include the date,  
29 time and location of the public hearing.

30 (c) Public disclosure by each university of any proposed increases in  
31 tuition or fees at least ten days prior to the public hearing.

32 (d) Final board action on changes in tuition or fees shall be taken by  
33 roll call vote.

34 The procedural requirements of subdivisions (a), (b), (c) and (d) OF THIS  
35 PARAGRAPH apply only to those changes in tuition or fees that require board  
36 approval.

37 7. Pursuant to section 35-115, submit a budget request for each  
38 institution under its jurisdiction that includes the estimated tuition and  
39 fee revenue available to support the programs of the institution as described  
40 in the budget request. The estimated available tuition and fee revenue shall  
41 be based on the tuition and registration fee rates in effect at the time the  
42 budget request is submitted with adjustments for projected changes in  
43 enrollment as provided by the board.

1           8. Establish curriculums and designate courses at the several  
2 institutions which in its judgment will best serve the interests of this  
3 state.

4           9. Award such degrees and diplomas upon the completion of such courses  
5 and curriculum requirements as it deems appropriate.

6           10. Prescribe qualifications for admission of all students to the  
7 universities. The board shall establish policies for guaranteed admission  
8 that assure fair and equitable access to students in this state from public,  
9 private, charter and home schools. For the purpose of determining the  
10 qualifications of honorably discharged veterans, veterans are those persons  
11 who served in the armed forces for a minimum of two years and who were  
12 previously enrolled at a university or community college in this state. No  
13 prior failing grades received by the veteran at the university or community  
14 college in this state may be considered.

15           11. Adopt any energy conservation standards promulgated by the  
16 department of administration for the construction of new buildings.

17           12. Employ for such time and purposes as the board requires attorneys  
18 whose compensation shall be fixed and paid by the board. Litigation to which  
19 the board is a party and for which self-insurance is not provided may be  
20 compromised or settled at the direction of the board.

21           13. Adopt annually an operating budget for each university equal to the  
22 sum of appropriated general fund monies and the amount of tuition,  
23 registration fees and other revenues approved by the board and allocated to  
24 each university operating budget.

25           14. In consultation with the state board of education and other  
26 education groups, develop and implement a program to award honors  
27 endorsements to be affixed to the high school diplomas of qualifying high  
28 school pupils and to be included in the transcripts of pupils who are awarded  
29 endorsements. The board shall develop application procedures and testing  
30 criteria and adopt testing instruments and procedures to administer the  
31 program. In order to receive an honors endorsement, a pupil must demonstrate  
32 an extraordinary level of knowledge, skill and competency as measured by the  
33 testing instruments adopted by the board in mathematics, English, science and  
34 social studies. Additional subjects may be added at the determination of the  
35 board. The program is voluntary for pupils.

36           15. Require the publisher of each literary and nonliterary textbook  
37 used in the universities of this state to furnish computer software in a  
38 standardized format when software becomes available for nonliterary  
39 textbooks, to the Arizona board of regents from which braille versions of the  
40 textbooks may be produced.

41           16. Require universities that provide a degree in education to require  
42 courses that are necessary to obtain a provisional structured English  
43 immersion endorsement as prescribed by the state board of education.

17. Beginning July 1, 2007, ~~purchase~~ ACQUIRE United States flags for each classroom that are manufactured in the United States and that are at least two feet by three feet and hardware to appropriately display the United States ~~flag and purchase~~ FLAGS, ACQUIRE a legible copy of the Constitution of the United States and the Bill of Rights, ~~and~~ display the flags in each classroom in accordance with title 4 of the United States Code and display a legible copy of the Constitution of the United States and the bill of rights adjacent to the flag.

18. To facilitate the transfer of military personnel and their dependents to and from the public schools of this state, pursue, in cooperation with the state board of education, reciprocity agreements with other states concerning the transfer credits for military personnel and their dependents. A reciprocity agreement entered into pursuant to this paragraph shall:

(a) Address procedures for each of the following:

(i) The transfer of student records.

(ii) Awarding credit for completed course work.

(iii) Permitting a student to satisfy the graduation requirements prescribed in section 15-701.01 through the successful performance on comparable exit-level assessment instruments administered in another state.

(b) Include appropriate criteria developed by the state board of education and the Arizona board of regents.

19. PUBLICLY POST NOTICES OF ALL OF ITS EMPLOYMENT OPENINGS, INCLUDING THE TITLE AND DESCRIPTION, INSTRUCTIONS FOR APPLYING AND RELEVANT CONTACT INFORMATION.

B. The board shall adopt personnel rules. All nonacademic employees of the universities are subject to these rules except for university presidents, university vice-presidents, university deans, legal counsel and administrative officers. The personnel rules shall be similar to the personnel rules under section 41-783. The rules shall include provisions for listing available positions with the department of economic security, competitive employment processes for applicants, probationary status for new nonacademic employees, nonprobationary status on successful completion of probation and due process protections of nonprobationary employees after discharge. The board shall provide notice of proposed rule adoption and an opportunity for public comment on all personnel rules proposed for adoption.

C. The board may employ legal assistance in procuring loans for the institutions from the United States government. Fees or compensation paid for such legal assistance shall not be a claim upon the general fund of this state but shall be paid from funds of the institutions.

D. The board shall approve or disapprove any contract or agreement entered into by the university of Arizona hospital with the Arizona health facilities authority.

E. The board may adopt policies which authorize the institutions under its jurisdiction to enter into employment contracts with nontenured employees

1 for periods of more than one year but not more than five years. The policies  
 2 shall prescribe limitations on the authority of the institutions to enter  
 3 into employment contracts for periods of more than one year but not more than  
 4 five years, including the requirement that the board approve the contracts.

5 F. The board may adopt a plan or plans for employee benefits which  
 6 allow for participation in a cafeteria plan that meets the requirements of  
 7 the United States internal revenue code of 1986.

8 G. The board may establish a program for the exchange of students  
 9 between the universities under the jurisdiction of the board and colleges and  
 10 universities located in the state of Sonora, Mexico. Notwithstanding  
 11 subsection A, paragraph 5 of this section, the program may provide for  
 12 in-state tuition at the universities under the jurisdiction of the board for  
 13 fifty Sonoran students in exchange for similar tuition provisions for up to  
 14 fifty Arizona students enrolled or seeking enrollment in Sonoran colleges or  
 15 universities. The board may direct the universities to work in conjunction  
 16 with the Arizona-Mexico commission to coordinate recruitment and admissions  
 17 activities.

18 H. Subsection A, paragraph 6, subdivisions (a), (b), (c) and (d) of  
 19 this section do not apply to fee increases that are set by individual  
 20 universities and that do not require approval by the Arizona board of regents  
 21 before the fee increase becomes effective.

22 Sec. 2. Section 15-1681, Arizona Revised Statutes, is amended to read:

23 15-1681. Definitions

24 In this article, unless the context otherwise requires:

25 1. "Acquire" includes to purchase, lease, lease-purchase, erect,  
 26 build, construct, reconstruct, raze, remodel, repair, replace, alter, extend,  
 27 expand, better, equip, furnish, develop, improve and embellish a project, and  
 28 the acquisition, preparation and development of a site or sites therefor.

29 2. "Board" means the Arizona board of regents or its successor.

30 3. "Bonds" means any bonds issued pursuant to this article.

31 4. "COMPONENT UNIT" MEANS AN ENTITY FOR WHICH THE NATURE AND  
 32 SIGNIFICANCE OF ITS RELATIONSHIP WITH THE BOARD OR INSTITUTION IS SUCH THAT  
 33 EXCLUSION WOULD CAUSE THE BOARD'S OR INSTITUTION'S FINANCIAL STATEMENTS TO BE  
 34 MISLEADING OR INCOMPLETE.

35 ~~4.~~ 5. "Federal agency" means the United States of America, the  
 36 president of the United States of America, the department of housing and  
 37 urban development or such other agency or agencies of the United States of  
 38 America as may be designated or created to make loans or grants, or both.

39 ~~5.~~ 6. "Indirect ~~debt~~ OR THIRD PARTY financing":

40 (a) Means an agreement between the board or an institution and a  
 41 COMPONENT UNIT OF AN INSTITUTION, A nonprofit organization or A private  
 42 developer in which the COMPONENT UNIT, organization or developer PAYS FOR,  
 43 issues bonds FOR or enters into lease or lease-purchase agreements for:

44 (i) Capital projects on the property of an institution. ~~.~~

1 (ii) Capital projects intended to house any institution activities.

2 ~~, or~~

3 (iii) Capital projects in which the board or institution guarantees  
4 revenues to the COMPONENT UNIT, ORGANIZATION OR developer or debt service  
5 payments on behalf of the COMPONENT UNIT, organization or developer.

6 (iv) CAPITAL PROJECTS, WHICH MAY EVENTUALLY BECOME STATE ASSETS.

7 (b) DOES NOT INCLUDE PROJECTS THAT ARE INTENDED TO BE COMMERCIAL IN  
8 NATURE AND WHOSE MAJORITY OF BUSINESS IS ANTICIPATED TO COME FROM THE  
9 NONUNIVERSITY POPULATION.

10 ~~6-~~ 7. "Institution" means the university of Arizona, Arizona state  
11 university and northern Arizona university or any other college or university  
12 under the jurisdiction and control of the board or its successor.

13 ~~7-~~ 8. "Project" means and includes buildings, structures, areas and  
14 facilities which, as determined by the board, are required by or necessary  
15 for the use or benefit of each of such institutions, including, without  
16 limiting the generality of the foregoing, student, faculty or staff housing  
17 facilities, residence halls, dormitories and apartments; student union and  
18 recreational buildings and stadiums; other facilities for student, faculty or  
19 staff services; any facility or building leased to the United States of  
20 America; parking garages and areas; offices, classrooms, laboratories, dining  
21 halls and food service facilities, libraries, auditoriums, or parts thereof,  
22 or additions or extensions thereto; heating, lighting and other utility  
23 service facilities in connection therewith, or parts thereof, or additions or  
24 extensions thereto; whether heretofore acquired and now or hereafter used for  
25 any or all of the purposes aforesaid, or as may be hereafter acquired under  
26 this article, with all equipment and appurtenant facilities; or any one, or  
27 more than one, or all of the foregoing, or any combination thereof, for any  
28 institution, including sites therefor.

29 ~~8-~~ 9. "System of building facilities" means such project or projects  
30 as the board by resolution shall collectively designate to be included in a  
31 system of building facilities at each institution, either:

32 (a) Hereafter acquired for each of such institutions under the terms  
33 of this article.

34 (b) Heretofore acquired for each of such institutions prior to May 17,  
35 1974 under the terms of any other law and now located on the campus of each  
36 of such institutions, whether unencumbered by or encumbered by a pledge of  
37 and lien on the income and revenues derived from the operation thereof for  
38 the payment of any bonds theretofore issued by the board for the acquisition  
39 thereof.

40 (c) As provided in both subdivisions (a) and (b) OF THIS PARAGRAPH.

41 (d) Any combination of as provided in subdivisions (a), (b) and (c) OF  
42 THIS PARAGRAPH.

1           Sec. 3.   Section 15-1682, Arizona Revised Statutes, is amended to read:  
2           15-1682.   Powers

3           The board shall have power for each institution, as defined in this  
4   article, to:

5           1. Acquire, if authorized by the legislature, any project or projects,  
6    or any combination thereof, and to secure indirect ~~debt~~ OR THIRD PARTY  
7    financing for or own, operate and maintain the same and establish, own,  
8    operate and maintain a system of building facilities.

9           2. Acquire by purchase, contract, lease-purchase, lease or gift, and  
10   hold or dispose of, real or personal property or rights or interest therein.

11           3. Accept grants, subsidies or loans of monies from a federal agency,  
12 or others, upon such terms and conditions as may be imposed, and to pledge  
13 the proceeds of grants, subsidies or loans of monies received or to be  
14 received from the United States of America or any agency or instrumentality  
15 thereof, or others, pursuant to agreements entered into between such board  
16 and the United States of America, or any agency or instrumentality thereof,  
17 or others.

18           4. Borrow monies and issue bonds to acquire any one project, or more  
19     than one, or any combination thereof, if authorized by the legislature, and  
20     to refund bonds heretofore or hereafter issued to acquire any project or  
21     projects, or to refund any such refunding bonds, or for any one, or more than  
22     one, or all of such purposes, or any combination thereof, and to provide for  
23     the security and payment of such bonds and for the rights of the holders  
24     thereof.

25           5. Make contracts and leases and execute all instruments and perform  
26 all acts and do all things necessary or convenient to carry out the powers  
27 granted in this article.

28            6. Retain in its treasury:

29           (a) All monies received from the sale of all bonds issued under this  
30    article.

(b) All fees, tuitions, rentals and other charges from students, faculty, staff members and others using or being served by, or having the right to use or the right to be served by, or to operate, any project.

(c) All fees for student activities and student services and all other fees, tuitions and charges collected from students matriculated, registered or otherwise enrolled at and attending each institution pledged under the terms of any resolution authorizing bonds pursuant to this article.

38 (d) All rentals from any facility or building leased to the United  
39 States of America.

40           Sec. 4. Section 15-1682.02, Arizona Revised Statutes, is amended to  
41 read:

42 15-1682.02. Indirect and third party financing; review;  
43 reporting

44           A. The board may secure indirect ~~debt~~ OR THIRD PARTY financing for any  
45   project if the following conditions are met:



1           1. The term of the indirect ~~debt~~ OR THIRD PARTY financing does not  
2 exceed the earlier of forty years or the useful life of the capital  
3 improvements.

4           2. The project for which indirect ~~debt~~ OR THIRD PARTY financing is  
5 secured is reviewed by the joint committee on capital review. Private  
6 entities are not required to divulge proprietary information to the committee  
7 for review.

8           B. FOR PROJECTS THAT ARE TO BE DEVELOPED ON BOARD OR INSTITUTIONAL  
9 LAND, THAT ARE INTENDED TO BE COMMERCIAL IN NATURE AND WHOSE MAJORITY OF  
10 BUSINESS IS ANTICIPATED TO COME FROM THE NONUNIVERSITY POPULATION, THE BOARD  
11 OR INSTITUTION SHALL REPORT ON THE SCOPE, PURPOSE AND ESTIMATED COST OF THE  
12 PROJECT TO THE JOINT COMMITTEE ON CAPITAL REVIEW AT LEAST TWO MONTHS BEFORE  
13 THE ANTICIPATED EXECUTION OF AN AGREEMENT. PRIVATE ENTITIES ARE NOT REQUIRED  
14 TO DIVULGE PROPRIETARY INFORMATION TO THE JOINT COMMITTEE ON CAPITAL REVIEW.  
15 THE JOINT COMMITTEE ON CAPITAL REVIEW MAY PROVIDE RECOMMENDATIONS TO THE  
16 BOARD OR UNIVERSITIES ON THE REPORTED PROJECTS.

17           Sec. 5. Section 15-1725, Arizona Revised Statutes, is amended to read:  
18 15-1725. Medical student loan fund

19           A. The medical student loan fund is established. All monies  
20 appropriated to carry out ~~the provisions of~~ sections 15-1723 and 15-1724  
21 shall be deposited in the fund, and all payments of principal and interest  
22 received by the board shall be deposited, pursuant to sections 35-146 and  
23 35-147, in the fund. Monies in the fund are ~~subject to legislative~~  
24 ~~appropriation~~ CONTINUOUSLY APPROPRIATED FOR USE BY THE BOARD.

25           B. Monies in the medical student loan fund are exempt from the  
26 provisions of section 35-190 relating to lapsing of appropriations.

27           Sec. 6. Section 15-1808, Arizona Revised Statutes, is amended to read:

28 15-1808. Tuition waiver of child or spouse of peace officer,  
29 correctional officer, fire fighter, emergency  
30 paramedic or national guard member killed in the  
31 line of duty; disabled national guard member;  
32 definitions

33           A. The board of regents, after verification by the Arizona peace  
34 officers memorial board, by the Arizona fire fighters and emergency  
35 paramedics memorial board, ~~or~~ by the adjutant general of the national guard  
36 OR BY THE ARIZONA DEPARTMENT OF VETERAN'S SERVICES that a person is a child  
37 or a spouse of a peace officer, correctional officer, fire fighter, emergency  
38 paramedic, ~~or~~ national guard member OR MEMBER OF THE UNITED STATES ARMED  
39 FORCES who was a resident of the state of Arizona OR STATIONED IN ARIZONA and  
40 who was killed in the line of duty or who died from injuries suffered in the  
41 line of duty while traveling to or from duty, shall provide the person who  
42 qualifies under subsection B of this section and who otherwise meets the  
43 qualifications for admission with a tuition waiver scholarship at any  
44 university under the jurisdiction of the board. A district as defined in  
45 section 15-1401, after verification by the Arizona peace officers memorial

1 board, by the Arizona fire fighters and emergency paramedics memorial board,  
2 ~~or~~ by the adjutant general of the national guard **OR BY THE ARIZONA DEPARTMENT**  
3 **OF VETERAN'S SERVICES** that a person is the child or the spouse of a peace  
4 officer, correctional officer, fire fighter, emergency paramedic, ~~or~~ national  
5 guard member **OR MEMBER OF THE UNITED STATES ARMED FORCES** who was a resident  
6 of Arizona **OR STATIONED IN ARIZONA** and who was killed in the line of duty or  
7 who died from injuries suffered in the line of duty while traveling to or  
8 from duty, shall provide the person who qualifies under subsection B of this  
9 section and who otherwise meets the qualifications for admission with a  
10 tuition waiver scholarship at any community college under the jurisdiction of  
11 the board.

12 B. The tuition waiver scholarships shall be limited to children who  
13 are thirty years of age or younger or a spouse who has not remarried and  
14 shall be limited for a spouse or for any one child to no more than sixty-four  
15 credit hours at Arizona community colleges and a total number of credits  
16 including any transfer credits from an Arizona community college equal to the  
17 number of credits required for a baccalaureate degree at Arizona universities  
18 for that student's initially declared course of study.

19 C. A member of the Arizona national guard who received a purple heart  
20 citation on or after September 11, 2001 or a former member of the Arizona  
21 national guard who was medically discharged from the Arizona national guard  
22 due to an injury or disability suffered during status under title 10, United  
23 States Code, in weekend training status, in annual training status or in  
24 response to a state of emergency declared by the governor is eligible for a  
25 tuition waiver scholarship provided for in this section.

26 D. For the purposes of this section:

27 1. "Correctional officer" means a person, other than an elected  
28 official, who is employed by this state or a county, city or town and who is  
29 responsible for the supervision, protection, care, custody or control of  
30 inmates in a state, county or municipal correctional institution, including  
31 counselors but excluding secretarial, clerical and professionally trained  
32 personnel.

33 2. "Emergency paramedic" means a person who has been trained in an  
34 emergency paramedic training program certified by the director of the  
35 department of health services or in an equivalent training program and who is  
36 certified by the director of the department of health services to render  
37 services pursuant to section 36-2205.

38 3. "Fire fighter" means a professional fire fighter who is a member of  
39 a state, federal, tribal, city, county, district or private fire department.

40 4. "Peace officers" means sheriffs of counties, constables, marshals,  
41 police officers of cities and towns, commissioned personnel of the department  
42 of public safety and police officers appointed by community college district  
43 governing boards or the Arizona board of regents, ~~who~~ who have received a  
44 certificate from the Arizona peace officer standards and training board, and

1 other state, federal, tribal, city or county officers vested by law with a  
2 duty to maintain public order and make arrests.

3 Sec. 7. Section 15-1821.01, Arizona Revised Statutes, is amended to  
4 read:

5 15-1821.01. Dual enrollment information

6 On a determination by a community college district governing board that  
7 it is in the best interest of the citizens of a district, the district  
8 governing board may authorize district community colleges to offer college  
9 courses that may be counted toward both high school and college graduation  
10 requirements at the high school during the school day subject to the  
11 following:

12 1. The community college district governing board and the governing  
13 board of the school district or organization of which the high school is a  
14 part shall enter into an agreement or contract that, at a minimum, shall  
15 address the responsibility of the community college and of the high school  
16 for payment for facilities, personnel and other costs, and the manner in  
17 which the college tuition is to be paid by or on behalf of each student shall  
18 be clearly stated.

19 2. Students shall be admitted to the community college under the  
20 policies adopted by each district, subject to the following:

21 (a) All students enrolled for college credit shall be high school  
22 juniors or seniors. All students in the course, including those not electing  
23 to enroll for college credit, shall satisfy the prerequisites for the course  
24 as published in the college catalog and shall comply with college policies  
25 regarding student placement in courses.

26 (b) A community college may waive the class status requirements  
27 specified in subdivision (a) of this paragraph for up to twenty-five per cent  
28 of the students enrolled by a college in courses provided that the community  
29 college has an established written criteria for waiving the requirements for  
30 each course. These criteria shall include a demonstration, by an examination  
31 of the specific purposes and requirements of the course, that freshman and  
32 sophomore students who meet course prerequisites are prepared to benefit from  
33 the college level course. All exceptions and the justification for the  
34 exceptions shall be reported as provided in paragraph 6 of this section.

35 3. The courses shall be previously evaluated and approved through the  
36 curriculum approval process of the district, shall be at a higher level than  
37 taught by the high school and shall be transferable to a university under the  
38 jurisdiction of the Arizona board of regents or be applicable to an  
39 established community college occupational degree or certificate program.  
40 Physical education courses shall not be available for dual enrollment  
41 purposes.

42 4. College approved textbooks, syllabuses, course outlines and grading  
43 standards that are applicable to the courses if taught at the community  
44 college shall apply to these courses and to all students in the courses  
45 offered pursuant to this section. The chief executive officer of each

1 community college shall establish an advisory committee of full-time faculty  
2 who teach in the disciplines offered at the community college to assist in  
3 course selection and implementation in the high schools and to review and  
4 report at least annually to the chief executive officer whether the course  
5 goals and standards are understood, the course guidelines are followed and  
6 the same standards of expectation and assessment are applied to these courses  
7 as though they were being offered at the community college. The advisory  
8 committee of full-time faculty shall meet at least three times each academic  
9 year.

10 5. Each faculty member shall meet the requirements established by the  
11 governing board pursuant to section 15-1444. The chief executive officer of  
12 each community college district shall establish an advisory committee of  
13 full-time faculty who teach in the disciplines offered at the community  
14 college district to assist in the selection, orientation, ongoing  
15 professional development and evaluation of faculty teaching college courses  
16 in conjunction with the high schools. The advisory committee of full-time  
17 faculty shall meet at least two times each academic year.

18 6. Each community college district, on or before September 1, shall  
19 annually provide a report to the joint legislative budget committee on the  
20 courses offered in conjunction with high schools during the previous fiscal  
21 year. In the case of a multicollege district, the multicollege district  
22 shall provide a separate report for each college. This report shall include  
23 the following:

24 (a) Documentation of compliance with the requirements identified in  
25 paragraphs 3, 4 and 5 of this section.

26 (b) The number of students in each course who did not meet the  
27 criteria prescribed in paragraph 2 of this section.

28 (c) The total enrollments listed by location, by high school grade  
29 level, by course and by whether the program was academic or occupational.

30 (d) Summary data on the performance of students enrolled for college  
31 credit in courses offered in conjunction with high schools, including  
32 completion rates and grade distribution.

33 (e) A copy of each agreement or contract executed pursuant to  
34 paragraph 1 of this section.

35 7. Each community college district shall conduct tracking studies of  
36 subsequent academic or occupational achievement of students enrolled in  
37 courses offered pursuant to this section. The report of the results of the  
38 first tracking study shall be submitted to the joint legislative budget  
39 committee on or before September 1, 2003 and subsequent reports shall be  
40 submitted to the joint legislative budget committee on or before September 1  
41 of each odd-numbered year thereafter, subject to the following:

42 (a) The tracking studies prescribed in this paragraph may involve  
43 statistically valid sampling techniques and shall include, at a minimum, the  
44 high school graduation rate, the number of students continuing their studies  
45 after graduation at a community college in this state or a university under

1 the jurisdiction of the Arizona board of regents, the performance of the  
 2 students in subsequent college courses in the same discipline or occupational  
 3 field and the student's grade point average after one year at an Arizona  
 4 community college or university as compared to the student's college grade  
 5 point average for courses completed while still in high school.

6 (b) On receipt of the report of the tracking studies prescribed in  
 7 this paragraph, the joint legislative budget committee ~~shall~~ MAY convene an  
 8 ad hoc committee that includes community college academic officers, faculty  
 9 and other experts in the field to review the manner in which these courses  
 10 are provided. This committee may make recommendations to the joint  
 11 legislative budget committee regarding desirable changes in this section or  
 12 in the manner in which this section is being implemented. A copy of this  
 13 report shall be provided to each district governing board.

14 8. A school district shall ensure that a pupil is a full-time student  
 15 as defined in section 15-901 and is enrolled in and attending a full-time  
 16 instructional program at a school in the school district before that pupil is  
 17 allowed to enroll in a college course pursuant to this section, except that  
 18 high school seniors who satisfy high school graduation requirements with less  
 19 than a full-time instructional program shall be exempt from this paragraph.

20 Sec. 8. Section 15-1854, Arizona Revised Statutes, is amended to read:

21 15-1854. Private postsecondary education student financial  
 22 assistance program; private postsecondary education  
 23 student financial assistance fund; definition

24 A. A private postsecondary education student financial assistance  
 25 program is established. The commission shall develop, implement and  
 26 administer the program. A student who obtains an associate degree from a  
 27 community college district or from a community college under the jurisdiction  
 28 of an Indian tribe in this state that meets the same accreditation standards  
 29 as a community college district and who registers for enrollment as a  
 30 full-time student in a baccalaureate program at a private, nationally or  
 31 regionally accredited four year degree granting college or university  
 32 chartered in this state is eligible to submit an application to the  
 33 commission for participation in the program. The commission shall establish  
 34 eligibility criteria for the program including financial need and academic  
 35 merit, shall develop application forms, procedures and deadlines and shall  
 36 select qualifying students each year for participation in the program.  
 37 Participating students shall receive an award in an amount of up to ~~one~~ TWO  
 38 thousand ~~five-hundred~~ dollars annually for not to exceed two years and ~~three~~  
 39 FOUR thousand dollars to be used to pay all or a portion of the tuition and  
 40 fees charged at the private, accredited four year college or university.

41 B. A private postsecondary education student financial assistance fund  
 42 is established consisting of legislative appropriations. The commission  
 43 shall administer the fund. Monies in the fund are exempt from the provisions  
 44 of section 35-190, relating to lapsing of appropriations. The commission  
 45 shall make awards for payment of tuition at eligible colleges or universities

1 to students who are selected to participate in the private postsecondary  
2 education student financial assistance program pursuant to subsection A **OF**  
3 **THIS SECTION.**

4 C. The commission shall develop a program evaluation procedure in  
5 order to determine the effectiveness of the private postsecondary education  
6 student financial assistance program in shifting students who would have  
7 otherwise attended a public four year college or university to private four  
8 year degree granting colleges or universities.

9 D. A student who fails to receive a baccalaureate degree within a  
10 three year period of receipt of the program award shall reimburse the private  
11 postsecondary education student financial assistance fund for all awards  
12 received pursuant to subsection A **OF THIS SECTION.**

13 E. For the purposes of this section, "community college district"  
14 means a community college district **THAT IS** established pursuant to sections  
15 15-1402 and 15-1403 **AND** that is a political subdivision of this state.

16 Sec. 9. Arizona board of regents; downtown Phoenix campus plan  
17 review

18 On or before October 1, 2007, the Arizona board of regents shall submit  
19 for review to the joint legislative budget committee its operational and  
20 capital plans for the Arizona state university downtown Phoenix campus.  
21 These plans shall include at least the following:

22 1. Detail on expenditures to date by the Arizona board of regents, its  
23 institutions and its partners.

24 2. Detailed five-year operational and capital budgets, including  
25 information on the expected sources of all monies.

26 3. A five-year description of enrollment, capacity growth and  
27 graduation expectations by subject area.

28 4. The contributions and financing arrangements of all partners  
29 contributing to the capital plan, as well as the legal and financial  
30 relationships of the Arizona board of regents and its institutions to these  
31 partners.